



Department of Justice

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JUSTICE DEPARTMENT MOVES TO MODIFY REAL ESTATE CONSENT DECREE

Action Allows Consumers to Get More Information on Discounted Real Estate Fees

WASHINGTON, D.C. – The Justice Department today moved to modify a consent decree to allow the public to have access to more information about the different kinds of fees charged by real estate professionals. The original 1973 consent decree resolved an antitrust lawsuit brought by the Department charging that the Greater Pittsburgh Board of Realtors (now the Realtors Association of Metropolitan Pittsburgh or RAMP) agreed to fix the price of real estate commissions in the Pittsburgh area. The original consent decree prohibited fixing the price of real estate commissions and any future agreements among area real estate professionals to set prices and to promote more competition in real estate commission fees.

The modified consent decree would strike a provision barring the publication of fees in broker advertisements and add a provision that makes it clear that RAMP can publish information about real estate commissions and fees set by an individual broker.

The proposed modifications, which must be approved by the court, were filed today in U.S. District Court in Pittsburgh. The consent decree will continue to serve its original purpose to prevent RAMP and its member brokers from agreeing on fees.

RAMP is a local governing body for real estate professionals in the Pittsburgh area. RAMP publishes "Pittsburgh Homes Guide by Realtors," a magazine that contains home listings and advertisements placed by Pittsburgh area real estate professionals.

“The proposed modifications will permit RAMP to publish advertising designed to help consumers search for less expensive alternatives in the market for real estate services,” said Thomas O. Barnett, Acting Assistant Attorney General in charge of the Department’s Antitrust Division. “The Department of Justice remains committed in its efforts to promote competition that leads to greater choice and lower costs for consumers using real estate brokerage services.”

The original 1973 consent decree resolved an antitrust suit brought by the Department of Justice charging that RAMP’s predecessor, the Greater Pittsburgh Board of Realtors, and other defendants agreed to fix prices and thereby artificially increased real estate commissions. The suit also alleged that the defendants published the agreed upon prices. Thus, in addition to eliminating collusive behavior and promoting price competition among real estate professionals, the intent of the original decree was to ban the advertisement of agreed-upon real estate commissions or fees.

With the growth of discount brokers, the original decree’s ban on advertising commission rates now has the effect of restricting legitimate advertising of commissions. The Department of Justice, therefore, seeks to eliminate the decree’s prohibition on advertising.

The proposed Modified Final Judgment will be published in the Federal Register and the Pittsburgh Post-Gazette, together with court documents describing the proposed changes. Any person may submit written comments to John Read, Chief, Litigation III, Antitrust Division, U.S. Department of Justice, 325 7th Street, N.W., Room 300, Washington, D.C. 20530, during a 30-day comment period. After the conclusion of the public comment period, the United States will file with the court copies of any comments that are received along with its response to those comments. The United States also will seek entry of the Modified Final Judgment by the court. The court may enter the decree upon finding that it serves the public interest.

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